GAVIN NEWSOM, Governor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT 2020 W. El Camino Avenue, Suite 500 Sacramento, CA 95833 (916) 263-2911 / FAX (916) 263-7453 www.hcd.ca.gov



February 22, 2022

Vincent Bertoni, Director Department of City Planning City of Los Angeles Los Angeles City Hall 200 North Spring Street, Suite 525 Los Angeles, CA 90012

Dear Vincent Bertoni:

RE: City of Los Angeles 6th Cycle (2021-2029) Adopted Housing Element

Thank you for submitting the City of Los Angeles (City) housing element adopted on November 24, 2021 and received for review on November 24, 2021. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from Alliance for Community Transit – Los Angeles (ACT-LA) and a coalition of 24 community organizations, Tieira Ryder and Abundant Housing LA pursuant to Government Code section 65585, subdivision (c).

The adopted housing element addresses most statutory requirements described in HCD's September 3, 2021, review. For example, HCD applauds the substantial rezoning program and actions to facilitate housing choices, affordability and supply, the element now demonstrates adequate sites to accommodate the regional housing need allocation. However, an additional revision is necessary to fully comply with State Housing Element Law, as follows:

Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)

Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics protected by the California Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2), Section 65008, and any other state and federal fair housing and planning law. (Gov. Code, § 65583, subd. (c)(5).)

<u>Goals, Priorities, Metrics, and Milestones</u>: Programs and actions must include metrics and milestones to target significant and meaningful affirmatively furthering fair housing (AFFH) outcomes and evaluate the effectiveness and progress towards implementation. While the element included metrics for some programs, it did not include metrics for most programs related to AFFH. In addition, many actions do not appear to explicitly AFFH such as targeting geographic areas or neighborhoods. Without these components, whether the element is targeting meaningful outcomes is unclear, particularly related to place-based strategies to encourage community revitalization. Examples of programs that should be revised include Programs 10 (Affordable Housing Linkage Fee), 20 (New Local Revenue), 22 (Systematic Code Enforcement), 30 (New Models of Acquisition and Rehabilitation), 84 (Citywide Fair Housing Program) 88 (Eviction Defense Program) and 90 (Tenant/Community Opportunity).

In addition, while the element included some actions to replace segregated patterns, these actions, lacked specific geographic focus (communities with fair housing issues), firm commitments and significant targets for AFFH outcomes. Given the patterns and trends and other relevant factors noted in the assessment of fair housing, the element must include specific and significant actions that adequately promote community revitalization and conservation and replace segregated living patterns to foster more inclusive and equitable communities.

The element will meet the statutory requirements of State Housing Element Law once it has been revised and re-adopted to comply with the above requirements.

As a reminder, the City's 6th cycle housing element was due October 15, 2021. As of today, the City has not completed the housing element process for the 6th cycle. The City's 5th cycle housing element no longer satisfies statutory requirements. HCD encourages the City to revise the element as described in this letter, re-adopt, and submit to HCD to regain housing element compliance. For more information on housing element adoption requirements, please visit HCD's website at: http://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sb375_final100413.pdf.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (October 15, 2021), then any rezoning to accommodate the regional housing needs allocation (RHNA), including for lower-income households, shall be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i). Vincent Bertoni, Director Page 3

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation and Prohousing Incentive Program consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <u>http://opr.ca.gov/docs/OPR Appendix C final.pdf</u> and <u>http://opr.ca.gov/docs/Final 6.26.15.pdf</u>.

HCD appreciates the continued dedication and effort the City's team including Blair Smith, Matthew Glesne, Cally Hardy, Jackie Cornejo, Maya Abood, Nancy Twum-Akwaboah and Ann Sewill provided. We are committed to assisting the City in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Sohab Mehmood, of our staff, at <u>Sohab.Mehmood@hcd.ca.gov</u>.

Sincerely,

Paul McDougall Senior Program Manager